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ANNUAL REPORT

IDAHO PUBLIC
UTILITIES COMMISSION

OF

EAGLE WATER COMPANY, INC
NAME

846 N. EAGLE ROAD, EAGLE, IDAHO 83616
ADDRESS

TO THE

IDAHO PUBLIC

UTILITIES COMMISSION

FOR THE

YEAR ENDED DECEMBER 31, 2001

Morris W. Grigg, CPA, CVA
Thomas J. Ritter, MS, CPA
C. Dean Graham, MBA, CPA

August 2, 2002

To the Board of Directors
Eagle Water Company, Inc.
Eagle, Idaho 83616

Gentlemen,

I have compiled the accompanying Balance Sheet of Eagle Water Company, Inc. (a corporation) as of December 31, 2001 and the related Statement of Income and Retained Earnings, and supporting schedules for the year then ended included in the accompanying prescribed form in accordance with standards established by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the Idaho Public Utilities Commission information that is the representation of management. I have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements are presented in accordance with the requirements of the Idaho Public Utilities Commission, which differ from generally accepted accounting principles. Accordingly, these statements are not designed for those who are not informed about such differences.

Yours very truly,



C. Dean Graham, CPA

**ANNUAL REPORT FOR WATER UTILITIES TO
THE IDAHO PUBLIC UTILITIES COMMISSION
FOR THE YEAR ENDING December 21, 2001**

COMPANY INFORMATION

1 Give full name of utility Eagle Water Co., Inc.
 2 Date of Organization 3/14/74
 3 Organized under the laws of the state of Idaho
 4 Address of Principal Office (number & street) 846 N. Eagle Rd.
 5 P.O. Box (if applicable) P.O. Box 455
 6 City Eagle
 7 State Idaho
 8 Zip Code 83616
 9 Organization (proprietor, partnership, corp.) Corporation
 10 Towns, Counties served Eagle, Ada County, Idaho

 11 Are there any affiliated companies? N/A

If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

12 Contact Information	Name	Phone No.
President (Owner)	<u>Robert V. DeShazo, Jr.</u>	<u>939-0242</u>
Vice President	<u>Rowland Jones</u>	
Secretary	<u>Betty Holt</u>	
General Manager	<u>Norman Revels</u>	
Complaints or Billing	<u>Betty Holt</u>	
Engineering	<u>Jim Rees MTC Engineers</u>	<u>345-0780</u>
Emergency Service	<u>Norman Revels</u>	<u>939-0242</u>
Accounting	<u>Betty Holt 939-0242 Dean Graham</u>	<u>939-0021</u>

13 Were any water systems acquired during the year or any additions/deletions made to the service area during the year? No

If yes, attach a list with names, addresses & descriptions. Explain any services provided to the utility.

14 Where are the Company's books and records kept?
 Street Address 846 N. Eagle Rd
 City Eagle
 State Idaho
 Zip 83616

NAME: EAGLE WATER CO., INC.

COMPANY INFORMATION (Cont.)

For the Year Ended 2001

15 Is the system operated or maintained under a service contract? N/A

16 **If yes:** With whom is the contract? _____
When does the contract expire? _____
What services and rates are included? _____

17 Is water purchased for resale through the system? N/A

18 **If yes:** Name of Organization _____
Name of owner or operator _____
Mailing Address _____
City _____
State _____
Zip _____

	Gallons/CCF	\$Amount
Water Purchased		

19 Has any system(s) been disapproved by the Idaho Department of Environmental Quality? No
If yes, attach full explanation

20 Has the Idaho Department of Environmental Quality recommended any improvements? No
If yes, attach full explanation

21 Number of Complaints received during year concerning:
Quality of Service _____
High Bills _____
Disconnection _____

22 Number of Customers involuntarily disconnected _____

23 Date customers last received a copy of the Summary of Rules required by IDAPA 31.21.01.701? July
Attach a copy of the Summary

24 Did significant additions or retirements from the Plant Accounts occur during the year? _____
If yes, attach full explanation and an updated system map

NAME: EAGLE WATER CO., INC.

REVENUE & EXPENSE DETAIL

For the Year Ended 12-31-2001

ACCT #	DESCRIPTION		
400 REVENUES			
1	460	Unmetered Water Revenue	
2	461.1	Metered Sales - Residential	<u>443,579</u>
3	461.2	Metered Sales - Commercial, Industrial	<u>91,316</u>
4	462	Fire Protection Revenue	
5	464	Other Water Sales Revenue	
6	465	Irrigation Sales Revenue	
7	466	Sales for Resale	
8	400	Total Revenue (Add Lines 1 - 7) (also enter result on Page 4, line 1)	<u>534,895</u>
9	*	DEQ Fees Billed separately to customers	Booked to Acct # _____
10	**	Hookup or Connection Fees Collected	<u>159,733</u> Booked to Acct # <u>271</u>
11	***	Commission Approved Surcharges Collected	Booked to Acct # _____
401 OPERATING EXPENSES			
12	601.1-6	Labor - Operation & Maintenance	<u>49,147</u>
13	601.7	Labor - Customer Accounts	<u>72,811</u>
14	601.8	Labor - Administrative & General	<u>17,531</u>
15	603	Salaries, Officers & Directors	<u>17,889</u>
16	604	Employee Pensions & Benefits	<u>14,334</u>
17	610	Purchased Water	
18	615-16	Purchased Power & Fuel for Power	<u>93,817</u>
19	618	Chemicals	
20	620.1-6	Materials & Supplies - Operation & Maint.	<u>18,493</u>
21	620.7-8	Materials & Supplies - Administrative & General	<u>9,524</u>
22	631-34	Contract Services - Professional	<u>30,542</u>
23	635	Contract Services - Water Testing	
24	636	Contract Services - Other	
25	641-42	Rentals - Property & Equipment	
26	650	Transportation Expense	<u>4,841</u>
27	656-59	Insurance	<u>28,114</u>
28	660	Advertising	
29	666	Rate Case Expense (Amortization)	
30	667	Regulatory Comm. Exp. (Other except taxes)	
31	670	Bad Debt Expense	
32	675	Miscellaneous	<u>885</u>
33		Total Operating Expenses (Add lines 12 - 32, also enter on Pg 4, line 2)	<u>358,018</u>

Name: EAGLE WATER CO., INC.

INCOME STATEMENT

For Year Ended 12-31 - 2001

ACCT #	DESCRIPTION		
1	Revenue (From Page 3, line 8)		<u>534,895</u>
2	Operating Expenses (From Page 3, line 33)	<u>358,018</u>	
3	403 Depreciation Expense	<u>48,730</u>	
4	406 Amortization, Utility Plant Aquisition Adj.		
5	407 Amortization Exp. - Other		
6	408.10 Regulatory Fees (PUC)		
7	408.11 Property Taxes	<u>11,557</u>	
8	408.12 Payroll Taxes	<u>29,500</u>	
9A	408.13 Other Taxes (list) DEQ Fees		
9B			
9C			
9D			
10	409.10 Federal Income Taxes		
11	409.11 State Income Taxes		
12	410.10 Provision for Deferred Income Tax - Federal		
13	410.11 Provision for Deferred Income Tax - State		
14	411 Provision for Deferred Utility Income Tax Credits		
15	412 Investment Tax Credits - Utility		
16	Total Expenses from operations before interest (add lines 2-15)	<u>447,805</u>	
17	413 Income From Utility Plant Leased to Others		
18	414 Gains (Losses) From Disposition of Utility Plant		
19	Net Operating Income (Add lines 1, 17 & 18 less line 16)		<u>87,090</u>
20	415 Revenues, Merchandizing Jobbing and Contract Work		
21	416 Expenses, Merchandizing, Jobbing & Contracts		
22	419 Interest & Dividend Income	<u>449</u>	
23	420 Allowance for Funds used During Construction		
24	421 Miscellaneous Non-Utility Income		
25	426 Miscellaneous Non-Utility Expense		
26	408.20 Other Taxes, Non-Utility Operations		
27	409-20 Income Taxes, Non-Utility Operations		
28	Net Non-Utility Income (Add lines 20,22,23 & 24 less lines 21,25,26, & 27)		<u>449</u>
29	Gross Income (add lines 19 & 28)		<u>87,539</u>
30	427.3 Interest Exp. on Long-Term Debt		<u>13,120</u>
31	427.5 Other Interest Charges		<u>744</u>
32	NET INCOME (Line 29 less lines 30 & 31) (Also Enter on Pg 9, Line 2)		<u><u>73,675</u></u>

SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER CO., INC.

ACCUMULATED DEPRECIATION ACCOUNT 108.1 DETAIL

For Year Ended 12-31-2001

SUB ACCT #	DESCRIPTION	Depreciation Rate %	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1 304	Structures and Improvements		7,484	7,764	280
2 305	Collecting & Impounding Reservoirs				
3 306	Lake, River & Other Intakes				
4 307	Wells		49,677	67,708	9,131
5 308	Infiltration Galleries & Tunnels				
6 309	Supply Mains		1,675	1,932	257
7 310	Power Generation Equipment		19,225	20,236	1,011
8 311	Power Pumping Equipment		37,130	45,520	8,390
9 320	Purification Systems				
10 330	Distribution Reservoirs & Standpipes		44,991	46,368	1,377
11 331	Trans. & Distrib. Mains & Accessories		101,911	118,407	16,496
12 333	Services				
13 334	Meters and Meter Installations		8,445	11,045	2,600
14 335	Hydrants		771	806	35
15 336	Backflow Prevention Devices				
16 339	Other Plant & Misc. Equipment				
17 340	Office Furniture and Equipment		6,642	10,341	3,699
18 341	Transportation Equipment		4,803	8,088	3,285
19 342	Stores Equipment				
20 343	Tools, Shop and Garage Equipment		5,041	6,981	1,940
21 344	Laboratory Equipment				
22 345	Power Operated Equipment				
23 346	Communications Equipment				
24 347	Miscellaneous Equipment		—	229	229
25 348	Other Tangible Property				
26	TOTALS (Add Lines 1 - 25)		286,695	335,425	48,730

Enter beginning & end of year totals on Pg 7, Line 7

SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER CO., INC.

ACCOUNT 101 PLANT IN SERVICE DETAIL
For Year Ended 12-31 - 2001

SUB ACCT #	DESCRIPTION	Balance Beginning of Year	Added During Year	Removed During Year	Balance End of Year
1 301	Organization	13,857			13,857
2 302	Franchises and Consents				
3 303	Land & Land Rights	20,396	(1,296) ①		19,100
4 304	Structures and Improvements	15,199			15,199
5 305	Collecting & Impounding Reservoirs	48,015			48,015
6 306	Lake, River & Other Intakes				
7 307	Wells	387,600	(13,281) ① 11,074		385,393
8 308	Infiltration Galleries & Tunnels				
9 309	Supply Mains				
10 310	Power Generation Equipment	20,236			20,236
11 311	Power Pumping Equipment	188,549			188,549
12 320	Purification Systems				
13 330	Distribution Reservoirs & Standpipes				
14 331	Trans. & Distrib. Mains & Accessories	968,182	11,851 ①		980,033
15 333	Services				
16 334	Meters and Meter Installations	134,656	19,770		154,426
17 335	Hydrants	4,200			4,200
18 336	Backflow Prevention Devices				
19 339	Other Plant & Misc. Equipment				
20 340	Office Furniture and Equipment	15,296			15,296
21 341	Transportation Equipment	13,675	7,500		21,175
22 342	Stores Equipment				
23 343	Tools, Shop and Garage Equipment	9,586	2,919		12,505
24 344	Laboratory Equipment				
25 345	Power Operated Equipment				
26 346	Communications Equipment				
27 347	Miscellaneous Equipment		2,291		2,291
28 348	Other Tangible Property				
29	TOTAL PLANT IN SERVICE	1,839,447	40,828		1,880,275

(Add lines 1 - 28)

Enter beginning & end of year totals on Pg 7, Line 1

① ADJUSTMENT TO DETAIL DEPRECIATION SCHEDULE

SEE ACCOUNTANTS COMPILATION REPORT

Name: EAGLE WATER CO., INC.

BALANCE SHEET

For Year Ended 12-31-2001

<u>ASSETS</u>			Balance	Balance	Increase
ACCT #	DESCRIPTION		Beginning of Year	End of Year	or (Decrease)
1	101 Utility Plant in Service (From Pg 5, Line 29)		1,839,447	1,880,275	40,828
2	102 Utility Plant Leased to Others				
3	103 Plant Held for Future Use				
4	105 Construction Work in Progress				
5	114 Utility Plant Aquisition Adjustment				
6	Subtotal (Add Lines 1 - 5)		1,839,447	1,880,275	40,828
7	108.1 Accumulated Depreciation (From Pg 6, Line 26)		286,695	335,425	48,730
8	108.2 Accum. Depr. - Utility Plant Lease to Others				
9	108.3 Accum. Depr. - Property Held for Future Use				
10	110.1 Accum. Amort. - Utility Plant in Service				
11	110.2 Accum. Amort. - Utility Plant Lease to Others				
12	115 Accumulated Amortization - Aquisition Adj.				
13	Net Utility Plant (Line 6 less lines 7 - 12)		1,552,752	1,544,850	< 7,902 >
14	123 Investment in Subsidiaries				
15	125 Other Investments				
16	Total Investments (Add lines 14 & 15)				
17	131 Cash		83,294	22,068	< 61,226 >
18	135 Short Term Investments				
19	141 Accts/Notes Receivable - Customers		10,722	8,915	< 1,807 >
20	142 Other Receivables - PAYROLL ADVANCES		30,917	32,990	2,073
21	145 Receivables from Associated Companies				
22	151 Materials & Supplies Inventory				
23	162 Prepaid Expenses				
24	173 Unbilled (Accrued) Utility Revenue				
25	143 Provision for Uncollectable Accounts				
26	Total Current (Add lines 17 -24 less line 25)		124,953	63,973	< 60,980 >
27	181 Unamortized Debt Discount & Expense				
28	183 Preliminary Survey & Investigation Charges				
29	184 Deferred Rate Case Expenses A/R - R.V. DESHAZO, JR.		34,504	34,504	-
30	186 Other Deferred Charges - A/R CONSTRUCTION		972,959	1,354,466	381,507
31	Total Assets (Add lines 13, 16 & 26 - 30)		2,685,148	2,997,793	312,645

SEE ACCOUNTANTS COMPILATION REPORT

Name: EAGLE WATER CO., INC.

BALANCE SHEET

For Year Ended 12-31-2001

LIABILITIES & CAPITAL

ACCT #	DESCRIPTION	Balance Beginning of Year	Balance End of Year	Increase or (Decrease)
1	201-3 Common Stock	20,000	20,000	—
2	204-6 Preferred Stock			
3	207-13 Miscellaneous Capital Accounts - PAID IN CAPITAL	63,702	63,702	—
4	214 Appropriated Retained Earnings			
5	215 Unappropriated Retained Earnings	464,180	537,855	73,675
6	216 Reacquired Capital Stock			
7	218 Proprietary Capital			
8	Total Equity Capital (Add Lines 1-5+7 less line 6)	547,882	621,557	73,675
9	221-2 Bonds			
10	223 Advances from Associated Companies			
11	224 Other Long - Term Debt	55,094	49,530	(5,564)
12	231 Accounts Payable	37,201	52,142	14,941
13	232 Notes Payable - BANKS & OTHERS	61,054	53,764	(7,290)
14	233 Accounts Payable - Associated Companies			
15	235 Customer Deposits (Refundable)			
16	236.11 Accrued Other Taxes Payable - PAYROLL TAXES	9,611	31,548	21,937
17	236.12 Accrued Income Taxes Payable			
18	236.2 Accrued Taxes - Non-Utility			
19	237-40 Accrued Debt, Interest & Dividends Payable	8028	8,985	957
20	241 Misc. Current & Accrued Liabilities			
21	251 Unamortized Debt Premium			
22	252 Advances for Construction			
23	253 Other Deferred Liabilities			
24	255.1 Accumulated Investment Tax Credits - Utility			
25	255.2 Accum. Investment Tax Credits - Non-Utility			
26	261-5 Operating Reserves			
27	271 Contributions in Aid of Construction	1,966,278	2,180,267	213,989
28	272 Accum. Amort. of Contrib. in Aid of Const. **			
29	281-3 Accumulated Deferred Income Taxes			
30	Total Liabilities (Add lines 9 - 29)	2,137,266	2,376,236	238,970
31	TOTAL LIAB & CAPITAL (Add lines 8 & 30)	2,685,148	2,997,793	312,645

** Only if Commission Approved

SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER CO., INC.

STATEMENT OF RETAINED EARNINGS

For Year Ended 12-31-2001

1	Retained Earnings Balance @ Beginning of Year	<u>464,180</u>
2	Amount Added from Current Year Income (From Pg 4, Line 32)	<u>73,675</u>
3	Other Credits to Account	<u> </u>
4	Dividends Paid or Appropriated	<u> </u>
5	Other Distributions of Retained Earnings	<u> </u>
6	Retained Earnings Balance @ End of Year	<u><u>537,855</u></u>

CAPITAL STOCK DETAIL

7	Description (Class, Par Value etc.)	No. Shares Authorized	No. Shares Outstanding	Dividends Paid
	COMMON	20,000	20,000	- 0 -

DETAIL OF LONG-TERM DEBT

8	Description	Interest Rate	Year-end Balance	Interest Paid	Interest Accrued
	NOTES PAYABLE - NYBORG	12% - 14%	49,531	6,436	649

SEE ACCOUNTANT'S COMPILATION REPORT

Name: EAGLE WATER CO., INC.

SYSTEM ENGINEERING DATA
(continued)
For Year Ended 2001

FEET OF MAINS

1	Pipe Size	In Use Beginning Of Year	Installed During Year	Abandoned During Year	In Use End of Year
	1½"	8,160	2860	0	11,020
	2"	1,601	0	0	1,601
	4"	8,134	740	0	8,874
	6"	39,926	930	0	40,856
	8"	108,664	6,360	0	115,024
	10"	20	0	0	20
	12"	63,042	4,301	0	67,072

CUSTOMER STATISTICS

		Number of Customers		Thousands of Gallons Sold	
		This Year	Last Year	This Year	Last Year
2	Metered:				
2A	Residential	2352	2099	536,223,992	526,803,678
2B	Commercial	184	172	105,620,008	111,741,322
2C	Industrial	0	0	0	0
3	Flat Rate:				
3A	Residential		None		
3B	Commercial		1		
3C	Industrial		None		
4	Private Fire Protection				
5	Public Fire Protection				
6	Street Sprinkling				
7	Municipal, Other				
8	Other Water Utilities				
	TOTALS (Add lines 2 through 8)				

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SEE ACCOUNTANTS' COMPILATION REPORT

Name: EAGLE WATER CO., INC.

SYSTEM ENGINEERING DATA

For Year Ended 2001

1 Provide an updated system map if significant changes have been made to the system during the year.

2 Water Supply:

Pump Designation or location	Rated Capacity (gpm)	Type of Treatment: (None, Chlorine Fluoride Filter etc.)	Annual Production (000's Gal.)	Water Supply Source (Well, Spring, Surface Wtr)
#1	600 gpm	None		Well
#2	400 gpm	None		Well
#3	400 gpm	None		Well
#4	variable up to 2500	None		Well
#6	variable up to 2500	None		Well

3 System Storage:

Storage Designation or Location	Total Capacity 000's Gal.	Usable Capacity 000's Gal.	Type of Reservoir (Elevated, Pressurized, Boosted)	Construction (Wood, Steel Concrete)
W/H #2	90,000	90,000	Boosted	Concrete

(Duplicate form and attach if necessary. Asterisk facilities added this year.)

SEE ACCOUNTANTS' COMPILATION REPORT

